

STATE OF TENNESSEE

Office of the Attorney General



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EXECUTIVE SECRETARY

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March 27, 1998

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: BellSouth Telecommunications, Inc.'s Entry Into Long Distance (InterLATA)
Service in Tennessee Pursuant to Section 271 of the Telecommunications Act of
1996. Docket No. 97-00309

Dear Mr. Waddell:

I have enclosed an original and thirteen copies of the Direct Testimony of Consumer Advocate Division witness Archie R. Hickerson, Director in the above referenced matter. Copies are being furnished to counsel of record for interested parties.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Vincent Williams".

L. Vincent Williams
Consumer Advocate

c: Counsel of record

#103500

Before the

TENNESSEE REGULATORY AUTHORITY

IN RE: BELL SOUTH TELECOMMUNICATIONS, INC.'S ENTRY INTO LONG
DISTANCE (INTERLATA) SERVICE IN TENNESSEE PURSUANT TO
SECTION 271 OF THE TELECOMMUNICATIONS ACT OF 1996.
DOCKET NO. 97-00309

DIRECT TESTIMONY
of
ARCHIE R. HICKERSON

MARCH 27, 1998

1 Q. What is your name, by whom are you employed, and what is your address?

2
3 A. My name is Archie Hickerson and I am the Director of the Consumer Advocate
4 Division Staff in the Office of the Attorney General for the State of Tennessee. My
5 business address is 2nd Floor, Cordell Hull Building, 425 5th Ave. N, Nashville
6 Tennessee, 37243-0500.

7
8 Q. What is your educational background, and what licenses and professional
9 memberships do you hold?

10
11 A. I have a bachelor of science degree from Austin Peay State University with
12 majors in mathematics and accounting. I am a licensed Certified Public Accountant in
13 the State of Tennessee and I am a member of the American Institute of Certified Public
14 Accountants (AICPA).

15
16 Q. What is your work experience concerning the regulation of utilities?

17
18 A. For 18 years I worked for the Tennessee Public Service Commission. In 1976, I
19 began as a financial analyst in the Commission's Accounting Division. As an analyst I
20 audited utilities' books and records, analyzed public utilities' cost of providing service,
21 developed financial exhibits, and entered testimony sponsoring these exhibits in rate
22 proceedings before the Commission. I was promoted to Assistant Director of the

1 Accounting Division, and became the Deputy Director of the Utility Rate Division after
2 the Accounting and the Utility Rate Divisions were combined. As the Assistant Director
3 and later the Deputy Director, I supervised the employees who conducted compliance
4 audits of utilities, made earning and rate investigations, reviewed tariff filings,
5 supervised management audits, and supervised investigations as requested by the
6 Commission. I directly participated in rate proceedings, worked in the development of
7 Commission administrative rules and regulations, and prepared and filed comments in
8 proceedings before the Federal Communications Commission (FCC), and the Internal
9 Revenue Service. I also reviewed depreciation studies submitted by the regulated
10 utilities, and along with the Director of Telecommunications, negotiated depreciation
11 rates with the representatives of the utilities and the FCC. As part of my duties with the
12 Commission, I served as a member of the National Association of Regulatory Utility
13 Commissioners' (NARUC) Staff Subcommittee on Communications, the NARUC
14 Subcommittee on Accounts, and the Southern Accounting Task Force.

15 When the General Assembly created the Consumer Advocate Division within the
16 Attorney General's Office effective July 1, 1994, I became the Director of the Consumer
17 Advocate Staff. My duties and responsibilities in the Consumer Advocate Division are
18 basically the same as when I was employed by the Commission.

19
20 Q. As part of your course of study to obtain an accounting degree, were you required
21 to complete courses in accounting, business, economics, and business law?
22

1 A. Yes.

2
3 Q. In order to become a Certified Public Accountant were you required to
4 demonstrate proficiency in the activities normally engaged in by Certified Public
5 Accountants by passing a examination that covered accounting theory, auditing, practice
6 problems, and business law?

7
8 A. Yes.

9
10 Q. As a Certified Public Accountant, are your required to meet minimum continuing
11 professional educational requirements and have you participated in both accounting and
12 legal continuing education workshops and courses?

13
14 A. Yes.

15
16 Q. What do you intend to address in your testimony in this proceeding?

17
18 A. I will respond to certain comments and positions taken by witnesses for BellSouth
19 Telecommunications, Inc. When the Consumer Advocate Division gets the models up
20 and running, I may need to supplement my testimony.

21
22 Q. Have you reviewed BellSouth Telecommunications, Inc.'s filing in this

1 proceeding?

2
3 A. I have reviewed portions of the filing. The information that was filed by
4 BellSouth in this proceedings was originally in 5 large boxes or as stated by the delivery
5 man, a 300 pound delivery. This filing was later replaced with 5 boxes that were
6 somewhat smaller. Much of the data in those boxes contain directions and instruction
7 relative to process of provisioning and delivering service. While all of this material may
8 be necessary to build a complete record, I did not attempt to undertake a review of all of
9 these documents in the limited time available.. The other parties in this case that are in
10 the business of providing telephone service have much larger staffs of employees who
11 deal with matter addressed in documents contained in these boxes. I believe that those
12 parties will address the more technical issues in this proceedings. I would point out that
13 neither the volume nor mass of the filing should be considered an indication of the
14 strength of BellSouth's case that it has met the requirements of Section 271

15 Instead of attempting the impossible task of reading and understanding all of the
16 technical aspects of the filing, I began with the FCC's order denying BellSouth's entry
17 into interLATA long distance in Louisiana. In that order the FCC denied the application
18 primarily as the result of BellSouth's failure to demonstrate that it offers
19 nondiscriminatory access to its operations support systems. (FCC order at paragraph 2.)
20 I developed discovery request based on this order in an attempt to discover what changes
21 that BellSouth had made that would correct the problems found by the FCC.

22 Q. In you opinion, why should the FCC's findings relative to BellSouth's request to

1 inter the InterLATA market in Louisiana be a concern of the Tennessee Regulatory
2 Authority?

3
4 A. There are two reasons. First, under the Telecommunications Act of 1996, the
5 FCC determines when a Regional Bell Operating Company (RBOC) can provide in
6 region interLATA long distance service within a state. Therefore it is appropriate to
7 consider the FCC's finding in other jurisdictions in determining if an RBOC has met the
8 FCC's criteria. The second reason was stated in the FCC's February 4, 1998 order in CC
9 Docket 97-231 at paragraph 3:

10 BellSouth's OSS are region-wide systems, deployed throughout
11 BellSouth's nine-state region. We reviewed BellSouth's OSS in the
12 *BellSouth South Carolina Order* and found that its OSS were
13 deficient. Because our assessment of BellSouth's OSS in the
14 *BellSouth South Carolina Order* applies to BellSouth's region-wide
15 system as a whole, we use the determinations made in that Order as
16 a starting point for our review of BellSouth's OSS in its Louisiana
17 application and review any new data or information that BellSouth
18 has provided to determine whether a different result is justified.
19
20

21 Q. What were some specific deficiencies identified by the FCC?

22
23 A. Yes. At paragraph 23 of its order in CC Docket No. 97-231 the FCC identified
24 problems with BellSouth's ordering and provisions functions:
25
26

27 23. For the reasons stated below, we conclude that BellSouth
28 has failed to remedy the problems with its **ordering and**
29 **provisioning functions** that we identified in our *BellSouth South*
30 *Carolina Order*. In the *BellSouth South Carolina Order*, we
31 concluded that BellSouth failed to establish that it is providing
32 nondiscriminatory access for the ordering and provisioning of
33 resale services because, among other things, **(1) evidence in the**

1 record shows that a significant number of orders submitted by
2 competing carriers via BellSouth's electronic interface are
3 rejected, resulting in substantial delays in processing new
4 entrants' orders, and (2) BellSouth fails to provide competing
5 carriers with information on the status of their orders in a
6 timely manner. In the *BellSouth South Carolina Order*, we
7 concluded that these deficiencies were significant and prevented
8 competing carriers from providing service to their customers at
9 parity with BellSouth's retail operations. Moreover, in the
10 *BellSouth South Carolina Order*, we found that BellSouth failed to
11 provide us with data establishing that it is offering
12 nondiscriminatory access to the various operational support
13 systems so that a competing carrier could provide service to its
14 customers in substantially the same time and manner that
15 BellSouth provides such service to its own retail customers. Each
16 of these deficiencies is discussed in more detail below. (Emphasis
17 added, footnotes deleted.)
18
19

20 The FCC then proceeds to describe the deficiencies in the following paragraphs.
21

22 24 We conclude here, as we did in our
23 *BellSouth South Carolina Order*, that BellSouth **has**
24 **failed to demonstrate that it is offering**
25 **competing carriers the ability to order services**
26 **for resale on a nondiscriminatory basis, i.e.,**
27 **within substantially the same time and manner**
28 **as the BOC provides the service to itself.**
29 BellSouth claims that competing carriers' access to
30 its ordering functions is "substantially the same as
31 the access provided to BellSouth's own retail
32 operations." But the data show that when
33 BellSouth representatives place an order, over 97
34 percent of BellSouth's residential orders and 81
35 percent of its business orders electronically flow
36 through BellSouth's ordering systems and databases.
37 In contrast, when competing carriers place an order,
38 a significant percentage of their orders are rejected,
39 and thus require manual intervention before the
40 order can be processed. For example, in July 1997,
41 only 25 percent of competing carriers' resale orders
42 submitted through the Electronic Data Interchange
43 (EDI) flowed through BellSouth's system. In

1 August 1997, the flow-through rate was 40 percent,
2 and in September 1997, the flow-through rate was
3 54 percent. (Emphasis added, footnotes deleted.)
4

5
6 25 While we note that improvements in new
7 entrants' flow-through rates have occurred, we
8 conclude that the substantial differences between
9 these rates and the flow-through rate that BellSouth
10 experiences for its own orders impose a significant
11 competitive disadvantage on new entrants. When
12 orders do not flow through BellSouth's ordering and
13 provisioning systems, they are rejected and sent to
14 one of BellSouth's Local Carrier Service Centers
15 (service centers) for manual processing. It is
16 virtually impossible for orders that are processed
17 manually to be completed in the same amount of
18 time as orders that flow through electronically.
19 Therefore, it is difficult for equivalent access to
20 exist when BellSouth processes a significant
21 number of competing carriers' orders manually.
22 Although we noted in the *Ameritech Michigan*
23 *Order* and *BellSouth South Carolina Order* that
24 there may be limited instances in which it is
25 appropriate for a BOC to intervene manually, we
26 also found that excessive reliance on manual
27 processing, especially for routine transactions,
28 impedes the BOC's ability to provide equivalent
29 access to these fundamental operational support
30 systems. The disparity in order flow-through rates is
31 of particular concern here because the rejections are
32 occurring for routine transactions -- resale orders for
33 simple "plain old telephone service" (POTS), which
34 should be among the easiest orders to submit and
35 process. (Footnotes deleted.)
36

37 26 The delays in manually processing orders
38 that "drop out" from BellSouth's electronic OSS are
39 aggravated by the poor performance of BellSouth's
40 service centers and the lack of electronic order
41 rejection notices. First, evidence on the record
42 indicates that BellSouth's service centers were
43 inefficient and had inadequately trained employees,

1 raising operating costs and contributing to delays in
2 customer service. The problems at the service
3 centers resulted in rejected orders being returned to
4 AT&T and MCI "an average of 1.7 times --
5 meaning that, on average, local service requests
6 were being returned almost twice to the two
7 [competing carriers] before the order was finally
8 processed." In its reply comments BellSouth
9 responds to service center complaints by submitting
10 a one-page letter from an outside consulting firm
11 noting that BellSouth's service center performance
12 has improved and that the service centers are
13 operationally ready. While we are encouraged by
14 these statements, we agree with AT&T that
15 BellSouth supplies no supporting data or reports to
16 verify these claims. (Footnotes deleted.)
17
18

19 In Item 2 of our first discovery request of BellSouth we asked BellSouth to admit
20 that it had not corrected the deficiency and in Item 3 to identify action taken to correct the
21 deficiency, since the filing of the Louisiana application to correct the deficiency.
22

23 Q. What was BellSouth's response?
24

25 A. In response to Item 2, BellSouth objected to how the request was phrased and
26 denied that the deficiencies found by the FCC existed:
27

28 BellSouth objects to this request as phrased. Not
29 withstanding the conclusion of the FCC in paragraph 23,
30 24, 25, and 26. BellSouth believes there is no such
31 deficiency related to the rejection of CLEC orders
32 submitted via EDI interface. Subject to the objection,
33 BellSouth denies any deficiency.
34

1 In response to Item 3, BellSouth explained that information regarding submission
2 of orders via EDI interface had been provided via the EDI interface in the Local
3 Exchange Order (LEO) Guides. The current edition of the guide had been available to
4 CLEC's for at least 6 months, but that the first edition was made available in April, 1997.
5 The Company also explained that on January 30, 1998, a comprehensive package of edits
6 (including the Local Exchange Ordering (LEO) and Local Exchange Service Order
7 Generator (LESOG) edits and Rejects requirements, and a disk of Service Order Edit
8 Routine (SOER) edits used by the Service Order Control System (SOCS) was delivered
9 to the CLECs and notice of the availability of these edits was put on BellSouth's CLEC
10 web site.

11
12 Q. When did BellSouth file its application to provide InterLATA long distance
13 service in Louisiana?

14
15 A. November 6, 1997 is the date as stated in the FCC's order in docket 97-231.

16
17 Q. The provision of the Local Exchange Order (LEO) Guides in April 1997 occurred
18 before the filing of the Louisiana application. Is that correct?

19
20 A. Yes. The edits to the LEO Guide and the Local exchange Service Order
21 Generator, Rejects requirements, and the Service Order Edit Routing delivered to the
22 CLECs on January 30, 1998 occurred after the filing of the Louisiana application. The

1 response, however, does not indicate how these edits corrected errors in the information
2 previously provided or corrected the deficiency cited by the FCC.

3
4 Q. Did the Consumer Advocate Division obtain information from the Competitive
5 Local Exchange Carriers concerning BellSouth's response to Item 3?

6
7 A. Yes. We issued discovery request to competitive local exchange carrier such as
8 AT&T, MCI, TCG, etc. concerning BellSouth response to this item. MCI responded in
9 part:

10 MCI disagrees with several of the statements made by
11 BellSouth. For example, MCI disagrees with any
12 suggestion by BellSouth that the Local Exchange Order
13 **("LEO") Guide contains complete and accurate**
14 **information on order submission.** In fact, MCI has
15 **discovered and presented to BellSouth several examples**
16 **of incorrect or incomplete information in the LEO**
17 **guide.** These deficiencies have caused MCI to waste
18 resources coding to incomplete or outdated information. It
19 also should be noted that BellSouth has been slow to update
20 the LEO guide and publish the updates. For example,
21 CLECS did not receive updates to the April 1997 LEO
22 guide until September 1997, and this revised LEO guide
23 was dated July 1997. Further, CLECs desiring to migrate
24 to the most recent version of EDI (Issue 7) after March 16,
25 1998 cut over date had to request advance draft copies of
26 the LEO guide so they could begin the development
27 process. (Emphasis added.)

28 The more than 2500 pages of Service Order Edit
29 Routine ("SOER") edits recently provided by BellSouth are
30 of no practical use to CLECs. These edits do not explain to
31 CLECs how to submit and order that will be accepted by
32 BellSouth, but rather provide an unworkable long list of
33 reject reasons that will result from orders submitted with
34 errors. These SOER edits do not provide the business rules

1 that will allow a CLEC to issue the orders correctly the first
2 time.

3
4 AT&T responded in part:

5
6 The LEO Guides are neither adequate nor an accurate
7 source of providing CLECs the totality of information
8 needed to prevent errors in service orders. First, the LEO
9 guides are inadequate. **They do not contain many of the**
10 **business rules necessary to determine the edits present**
11 **in BellSouth's systems.** In it response, BellSouth admits it
12 finally provided additional information on January 30,
13 1998. Secondly, the LEO guides are frequently inaccurate.
14 They are not been updated in a timely manner and have
15 been replete with errors. Examples of the types of
16 problems faced by CLECs are: (Emphasis added.)

17 BellSouth has stated that the LEO Guide has been
18 available since December 31, 1997, and that an
19 AT&T specific Guide was produced on December
20 15, 1997.

21 The April Version was referenced to as Issue 3, but
22 in fact was the 5th version published between
23 December 1997 (sic) and April 1998 (sic).

24 The July Version (Issue 4) which BellSouth claims
25 has been in effect since then was significantly
26 modified in October 1998 (sic), with whole new
27 sections and replacements for sections. The
28 updated pages continued to reflect their publication
29 as of July and their issue as continued being Issue 4
30 and contained no update markings.

31 Recently Volume 3 of the LEO Guide (which
32 currently runs one "issue" behind Volumes 1 and 2)
33 was updated to Issue 3. However, the very next day
34 several pages were added or replaced the new and
35 replacement pages show the same publication date
36 and issue number as the originals and contained no
37 revision markings. The initial WEB page release of
38 this document was labeled as Issue 4 rather than
39 Issue 3, and had different content that the release
40 now posted on the WEB as Issue 3, but dated as
41 January 1997.
42

1 It is clear that both MCI Metro and AT&T believe that the information being
2 provided in the LEO Guide is inadequate and does not provide the competitive local
3 exchange carriers the information needed to properly submit orders using electronic
4 interface. More specific information concerning the errors and the information that is not
5 provided is needed to properly evaluate the degree of the deficiencies.

6
7 Q. In its response, BellSouth cites its January 1998 "flow-through" report as support
8 that its systems are capable of flowing through orders that are submitted mechanically.
9 Do you have any comments?

10
11 A. It appears that the increase in raw flow through of orders from 25% in July to
12 63.7% in January does reflect improvement in the process.

13 Since details of how BellSouth analyzed the orders to determine those that were
14 rejected because of CLEC errors and because of BellSouth errors was not provided the
15 adjusted flow-through analysis can not be properly evaluated.

16 In its response to our discovery request AT&T challenges the BellSouth's claim
17 that the January experience of the two CLECs that achieved 96.1% and 98% non-
18 adjusted flow-through rates show that with trained service representatives it is possible
19 for a CLEC to achieve high flow through rates using the electronic interfaces BellSouth
20 provides. AT&T contends that the make up of orders submitted by the CLECs most
21 likely have a large impact on flow-through rates. AT&T cites for example that
22 companies that submit "switch-as-is" orders (resale orders with no change in service)

1 through the LENS is likely to experience relative high flow-through rates because there is
2 little that could possibly go wrong with that transaction.

3
4 Q. Could you confirm or reject AT&T's position concerning the impact that the type
5 of orders could affect the flow-through rate?

6
7 A. No. In our Second Discovery Request to BellSouth, we asked the Company to in
8 Item 3.

9 On the attachment to BellSouth's response to the Consumer
10 Advocate Division's first discovery request Item 3, an analysis of
11 the flow-through of CLEC orders for January 1998 was provided.

- 12 (a) Please indicate which of the CLECs are operating in
13 Tennessee.
- 14 (b) **For each of the CLECs operating in Tennessee:**
- 15 i. **Identify the number or order and provide the**
16 **flow-through analysis as presented on the**
17 **Attachment in response to Item 3 that relate to**
18 **the resale of BellSouth service.**
 - 19 ii. **Identify the number or order and provide the**
20 **flow-through analysis as presented on the**
21 **Attachment in response to Item 3 that relate to**
22 **the provision of service through the use of**
23 **BellSouth unbundled network elements; and**
 - 24 iii. **Identify the number or order and provide the**
25 **flow-through analysis as presented on the**
26 **Attachment in response to Item 3 that relate to**
27 **the provision of service through the use of CLEC**
28 **facilities.**

29
30 BellSouth responded:

31
32 **BellSouth does not have the information responsive to**
33 **this request** because the flow-through analysis is not
34 broken down by the type of order (e.g., resale, unbundled
35 network elements, or interconnection.) BellSouth also

1 objects to revealing the number of orders placed by each
2 CLEC operating in Tennessee on the grounds that such
3 information is CLEC proprietary data.
4

5 As a result there is no way to analyze the data to confirm or deny AT&T's.
6 position that the type of orders impact the flow-through rates.
7

8 Q. Did MCI address BellSouth's response concerning the flow-through of orders?
9

10 A. Yes. MCI also questioned the analysis on the basis that BellSouth adjusted the
11 data using an undescribed methodology based on its perception of which error in the
12 ordering process were caused by CLECs.
13

14 Q. Did AT&T or MCI point out any other problems?
15

16 A. Yes, AT&T pointed out, in response to our discovery request item 6, that most of
17 the orders submitted by the CLECs in the January (approximately 68%) involved
18 manual processing, and both AT&T and MCI metro cite errors in addresses as a major
19 cause of order rejections.

20 MCI attributes many of the address errors to its inability to integrate BellSouth's
21 pre-ordering information into their system. AT&T contends that the new pre-ordering
22 interface implemented by BellSouth for AT&T, EC-Lite, currently does not provide
23 RSAG-valid address.
24

1 Q. What conclusion can be drawn from BellSouth's flow through analysis and the
2 responses of AT&T and MCI?

3
4 A. Without further supporting data BellSouth's analysis is of little use. Since there
5 are various types or orders related to services being provide by resale of BellSouth
6 tariffed services, service being provided through the use of unbundled network elements
7 and service being provided by use of facilities of competitive carriers that interconnect
8 with BellSouth a proper analysis would need to show that flow through of orders is
9 consistent for the various types of orders. The analysis provided by BellSouth does not
10 support the position that CLEC's orders are handled in a manner consistent with
11 BellSouth's own orders. The improvement in the raw flow-through rate of CLEC orders
12 based on the January analysis is an indication of improved performance. It does not show
13 that CLEC access to BellSouth's Operations Support Systems is non-discriminatory.

14
15 Q. Did the FCC find in it's February 4, 1998 order in CC Docket No. 97-231 that
16 BellSouth's provision for notifying the CLECs of rejected orders was deficient.

17
18 A. Yes. In paragraph 27 the FCC found:

19 27 Second, BellSouth does not electronically
20 notify competing carriers that an order has been
21 rejected. Service center personnel either send an
22 error notice to the competing carrier via facsimile or
23 they undertake to resolve the problem and resubmit
24 the order, causing further delay in the processing of
25 these orders. We agree with competing carriers

1 that prompt notification of order rejections is
2 important so that competing carriers may make the
3 necessary corrections and avoid further delay in
4 processing an order. BellSouth's failure to return
5 order rejections promptly is compounded by the fact
6 that a competing carrier must manually input these
7 notices into its own OSS before it can respond to
8 them. Moreover, BellSouth's manual rejection
9 notices do not "readily communicate" the cause for
10 rejection of the order and sometimes require
11 competing carriers to contact BellSouth for
12 clarification. **By contrast, the on-line edits in**
13 **BellSouth's own systems instantaneously advise**
14 **BellSouth representatives of any errors and**
15 **prevent them from releasing orders until the**
16 **errors have been corrected.** This lack of prompt
17 notification of order rejections aggravates the
18 disparity between order flow-through
19 rates.(Emphasis added, footnotes deleted.)
20

21
22 Q. What action has BellSouth taken to correct this deficiency?
23

24 A. First of all, BellSouth disagrees with the FCC and contends that it has been
25 providing proper notification of order rejects to the CLECs. In response to the our
26 discovery request item 6:

27
28 BellSouth object to this request as phrased.
29 Notwithstanding the conclusions of the FCC, BellSouth
30 believes that it has and is providing notification of rejects in
31 **substantially the same time and manner** as it does for
32 itself. A BellSouth representative who inputs an order in
33 RNS, DOE, or SONGS never know if his or her orders are
34 rejected. BellSouth's rejected retail orders are handled by
35 employee's at BellSouth's Trouble Resolution and Error
36 Correction Centers. Likewise, CLECs' rejected retail
37 orders are handled by employees at the Local Carrier
38 Service Centers (LCSCs) via mechanized fax, so that the
39 CLEC can obtain the correct information from their end use
40 customers. The CLECs have requested that notification of

1 rejected orders be delivered to them via EDI, and BellSouth
2 **began implementing electronic notification in**
3 **November, 1997**, as described below. There currently are
4 no industry standards for providing electronic reject or error
5 notifications. BellSouth's current EDI implementation
6 complies with the national standards established by the
7 industry's Ordering and Billing Forum in TCIF version 6.0.
8 However, neither this version -- nor version 7.0, which is
9 scheduled to be implemented on March 16, 1998-- provides
10 standards for returning information to the CLEC for orders
11 rejected because of errors detected by LEO, LESOG, or
12 SOCS. Despite the lack of industry standards, BellSouth
13 **has already developed and implemented the first of a**
14 **two-stage process to provide error rejects electronically.**
15 This mechanism returns an error code and an explanation of
16 the error to CLECs using the EDI interface. This initial
17 stage of this automated reject capability, **which was tested**
18 **with MCI, became operational in November, 1997.** This
19 stage contains 68 percent of the total electronic reject to be
20 implemented. The remaining error types are being
21 addressed in the second phase of this implementation . To
22 facility this development in the absence of industry
23 standards, BellSouth hosted a conference on October 30
24 and 31, 1997 for all CLECs using EDI. This conference
25 was necessary because of the nature of the EDI interface.
26 The CLECs and BellSouth agreed on the specifications
27 required for the remaining capability which all parties
28 would implement on their respective sides of the EDI
29 interface. **The second phase of the reject capability**
30 **implementation is currently schedule to be operational**
31 **on March 16, 1998.** Until the second phase is
32 implemented, rejects not included in the 68 percent of error
33 types currently handled by EDI are routed to the Local
34 Carrier Service Center, where they can be corrected to the
35 LCSC or faxed to the CLECs if necessary. BellSouth, or
36 course, will implement nations standards for rejects when
37 they are established. (Emphasis added.)

38
39 While BellSouth denies the deficiency, it does not claim that it notifies the CLECs
40 of rejected orders in the same time frame and manner that it notifies is self. Instead it
41 states: "that it has and is providing notification of rejects in **substantially the same time**

1 **and manner** as it does for itself.” The term substantially is a subjective term and may
2 very well have different meanings based on the perspective of the party making the claim.
3
4

5 Q. Does BellSouth have statistical data concerning the length of time from when an
6 order is rejected and the time that the CLECs are notified?
7

8 A. Apparently not. In our second discovery request of BellSouth, Item 4, we
9 attempted to obtain data relative to the lag time between order rejection and CLEC
10 notification. The company responded that it did not track the requested information.
11 Without this type of data, an objective evaluation of BellSouth’s notification process
12 can’t be made.
13

14 Q. Did you ask any of the CLECs if they agreed with BellSouth’s response to the
15 Consumer Advocates first discovery request Item 6?
16

17 A. Yes we did. MCI had a somewhat different view from BellSouth. For example
18 MCI states :

19 BellSouth’s statement that it agreed with CLECs on
20 October 30 and 31 concerning the specification for
21 electronic rejects is misleading. BellSouth discussed the
22 specifications at the meeting without prior notice, and
23 BellSouth did not provide the specifications at the meeting.
24 MCI requested the specification after the meeting and
25 agreed to them after reviewing them because BellSouth

1 stated at the meeting that unless CLECs were prepared to
2 test the specification by a certain date, they would not have
3 the desired rejections functionality available until EDI 7.0
4 was implemented.
5

6 MCI also states in its response to the Consumer Advocate Division's discovery
7 that while it agreed to test the interim reject provisions in November and December
8 1997, the testing **was not successfully completed** because BellSouth had problems
9 entering the test cases it created into its EDI application. BellSouth's system edits would
10 not allow the interim reject cases to flow through for processing.

11 In response to Item 5 of our second discovery request BellSouth responded that
12 MCI was the only CLEC that had tested the initial stage of EDI. While BellSouth
13 explained that all CLECs using EDI are able to receive the initial stage of the notification,
14 it declined to identify the CLECs that are using EDI on the grounds that the response
15 would disclose CLEC proprietary information.

16 As a result, the effectiveness of BellSouth's interim electronic order rejections
17 notification can not be established. MCI indicated that its testing was not successful and
18 Bell provided no information concerning other CLECs success at using the system.
19 AT&T did respond that it was testing the upgrade that was scheduled to be implemented
20 on March 16, 1998.

21 While it appears that BellSouth has taken steps to change its notification
22 procedure from those in effect at the time it filed its application for interLATA authority
23 in Louisiana, the implementation of an interim process does not necessary correct the
24 deficiency. The response from MCI indicates that its testing of interim notification

1 process was unsuccessful. BellSouth also state that the interim procedure does not
2 provide for electronic notification for all rejected orders.

3 The promise of improvements that will be achieved as the result of the scheduled
4 March 16, 1998 upgrade is not sufficient to declare that the deficiency found by the FCC
5 has been corrected. Until the upgrade is implemented and used by the CLECs there is no
6 assurance that the procedure for providing the CLECs notice of rejected orders will be
7 acceptable.

8
9 Q. Did the FCC find that BellSouth's notification to the CLECs concerning
10 BellSouth's in ability to meet schedule due dates to be deficient?

11
12 A. Yes. At paragraph 39:

13 Order Jeopardy Notices. As stated above, order jeopardy
14 notices inform the competing carrier that BellSouth will not
15 be able to complete installation on or before the scheduled
16 due date. It is critical that a BOC provide a competing
17 carrier with timely notice if the BOC, for any reason, can
18 no longer meet the scheduled due date, so that the
19 competing carrier can inform its customer of the delay
20 before it occurs and reschedule the time for service
21 installation. The alternative would be that the scheduled
22 due date is not met and the customer discovers this after the
23 fact. Evidence in the record shows that BellSouth provides
24 competing carriers with notice of those order jeopardies
25 caused by the competing carrier or its customer, but not for
26 delays caused by BellSouth. Thus, as we found in the
27 *BellSouth South Carolina Order*, because BellSouth is not
28 providing order jeopardy notices for those delays it causes,
29 we conclude that BellSouth is not providing competing
30 carriers with nondiscriminatory access to OSS functions.
31

1 Q. Did the Consumer Advocate Division attempt to determine what action BellSouth
2 has taken to correct the deficiency?

3
4 A. Yes. Our first discovery request Item. 11. We asked BellSouth to identify all
5 action taken since the filing of the Louisiana application to correct the deficiency. Again
6 BellSouth disagreed with the FCC and denied that there is or was a deficiency. It
7 contends that its notifies CLECs of service jeopardies primarily by telephone and less
8 frequently by facsimile, which is in substantially the same time and manner as it does
9 itself.

10 In its response BellSouth identify no actions that it has taken to correct the
11 deficiency found by the FCC in the Louisiana order issued February 4, 1998.

12
13 Q. Did you request information from the CLECs concerning BellSouth's response to
14 Item 11?

15
16 A. Yes. Item 4 of our discovery request to the CLECs asked for the CLECs'
17 response.

18 While AT&T agreed in part with BellSouth's response it pointed out that once a
19 jeopardy condition exist for a BellSouth order that information is posted electronically
20 where it can be viewed. AT&T raises the issue of parity. How soon after the
21 determination of a possible service jeopardy is the pending order in SOCS updated to
22 reflect the changed status and how does that compare to the speed with which CLECs are

1 notified of a jeopardy status to their orders?

2
3 Q. Does BellSouth have data to show the average length of time that laps from when
4 it is determined that a due date for a CLEC order will not be met and the time that the
5 CLEC is notified?

6
7 A. In response to our second discovery request item 7, BellSouth responded that it
8 did not track such information. Since it does not track such information it is not clear
9 how it can support its position that it notifies CLECs of service jeopardies in
10 substantially the same time and manner as it does itself. Without this data it is not clear
11 how the comparison proposed by AT&T can be made.

12
13 Q. In the Louisiana application BellSouth proposed to rely on Personal
14 Communications Service (PCS) carriers being considered competing providers of
15 telephone exchange service. What was the FCC decision concerning PCS carriers?

16
17 A. Since the FCC found that BellSouth had not met the competitive checklist
18 concerning access to its operations support systems, the Commission found that it was not
19 necessary to decide whether the PCS are competing providers of telephone exchange
20 service. The FCC did state: " We also note, however, that the Commission has recently
21 concluded in other contexts that, although PCS providers appear to be positioning their
22 service offering to become competitive with wireline service, they are still making the

1 transition from a complementary service to a competitive equivalent to wireline services.”

2 (FCC order paragraph 6)

3
4 Q. In this proceeding what information does BellSouth present concerning the
5 number of residential customers who are receiving local exchange service from PCS
6 providers?

7
8 A. While BellSouth claims that Sprint and PowerTel are providing local exchange
9 service it stated:

10 BellSouth does not have sufficient information to allow it to identify the exact
11 number and class of service of customers served by facility-based wireline or
12 wireless local exchange competitors. Much of the information available to
13 BellSouth to allow it to estimate the number of wireline facility-based CLEC
14 customers is not available to BellSouth for use in estimating the number of
15 wireless CLEC customers served. However, BellSouth estimates that Sprint PCS
16 is providing wireless PCS communications to several thousand business and
17 residential customers in its current Nashville serving area.

18 A similar response was provided relative to PowerTel’s Tennessee operations.

19
20
21 Q. Did BellSouth provide material evidence that PCS carriers are providing
22 competitive local exchange service in Tennessee?

23
24 A. No. The Company offered no evidence that PCS carriers in Tennessee have made
25 the transition from being a complementary service to a competitive equivalent to wireline
26 service in Tennessee.

1 Q. What is your recommendation concerning BellSouth's application for approval to
2 provide InterLATA long distance service in Tennessee?

3
4 A. I recommend that the Authority find that the application should be rejected.
5 BellSouth has not demonstrated that it has corrected the deficiencies found by the FCC
6 when it determined that BellSouth has not met the competitive check list when it rejected
7 the Bell's Louisiana Application.

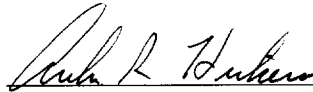
8 BellSouth has not shown that a facility based competitive carrier is providing
9 residential and business service in Tennessee. BellSouth has not shown that it is in the
10 public interest to approve its entry into interLATA long distance service at this time.

BEFORE THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

IN RE: BELLSOUTH)
TELECOMMUNICATIONS, INC.'S) DOCKET NO. 97-00309
ENTRY INTO LONG DISTANCE)
(INTERLATA) SERVICE IN)
TENNESSEE PURSUANT TO SECTION)
271 OF THE TELECOMMUNICATIONS)
ACT OF 1996.)

AFFIDAVIT

I, Archie R. Hickerson, Director for the Consumer Advocate Division of the Attorney General's Office, hereby certify that the attached Direct Testimony represents my opinion in the above referenced case and the opinion of the Consumer Advocate Division.



Sworn to and subscribed before me
this 27th day of March, 1998.


NOTARY PUBLIC

My commission expires on: 1/20/99

Certificate of Service

I hereby certify that a true and correct copy of the foregoing Direct Testimony of Archie R. Hickerson was served on parties of record via U.S. Mail, postage prepaid, this 27th day of March, 1998.

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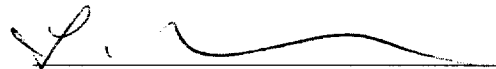
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